

## **MVULA, ISAAC MALIBA**

### **Notice of Discipline Committee Decision and Order Case #1907-15**

Following the receipt of a formal complaint made by the Professional Conduct Committee, the Discipline Committee commenced a hearing regarding the conduct of Isaac Maliba Mvula (Mvula) on August 31 – September 1, 2021 and concluded on February 18, 2022. The majority of the Discipline Committee determined that Mvula was guilty of professional misconduct as defined in section 26 of *The Accounting Profession Act* (“the Act”) in that his conduct breached Bylaws 200.1, and Rules 202.1 (Integrity and Due Care), 203.1 (Professional Competence), 205 (False or Misleading Documents or Oral Representations) and 206.1 (Compliance with Professional Standards) of the CPA Saskatchewan (“CPASK”) Bylaws and Standards of Professional Conduct.

Mvula did not appear at either the hearing on the formal complaints or the hearing to determine sanction. Counsel for the Professional Conduct Committee filed proof of personal service of the Notices of Hearings. The Panel was satisfied that Mvula had received appropriate notice of each hearing. Therefore, the Panel proceeded pursuant to subsection 31(11) of the Act in the absence of Mvula in both parts of the hearing.

### **Decision on the Formal Complaint**

The context in which the formal complaints arose is that Mvula, as an unlicensed member, performed an audit engagement and issued an auditor’s report for a rural municipality for the period of January 2018 through December 2019.

The majority of the Discipline Committee found that Mvula was guilty of professional misconduct in respect of providing services to an audit engagement for a rural municipality over several years for the following reasons:

- Did not ensure professional services were provided with integrity and due care. Mvula knowingly issued an audit opinion without review and without proper licensure. Mvula was identified by the rural municipality as the sole point of contact for the audit engagement.
- Did not ensure professional services were provided with competence and due care. Mvula did not comply with the Canadian Auditing Standards, a legislated requirement for all rural municipalities in Saskatchewan. Specific and significant deficiencies were noted through the audit engagement file, including:
  - Substantive procedures were executed at the interim date only, with no additional work performed,
  - The file was not properly reviewed in accordance with quality control standards, and
  - Effects of consolidation of related entities were not evaluated.

The decision on the formal complaints was made by the majority of the Discipline Committee on November 22, 2021.

A dissenting decision by one member of the Discipline Committee, on the same date, concluded that Mvula was not guilty of professional misconduct on the formal complaints for the following reasons:

- Creditability of the witness testimony was assessed by the dissenting member as low, therefore the evidence presented was not sufficient to prove the formal complaints.
- The licensed partner of the firm where Mvula was employed was responsible for the audit opinion issued.

The decision of the majority of the committee members who heard the complaint is the decision of the Discipline Committee pursuant to Rule 512.1.

### **Decision on Sanction**

The Discipline Committee issued the following Order on March 18, 2022:

1. The registrant shall be fined the sum of \$6,500.00;
2. The registrant shall receive and acknowledge a written reprimand issued by the chair of the discipline hearing panel;
3. That, in the event the registrant's registration is no longer suspended, he shall complete ten (10) hours of verifiable continuing professional development within twelve (12) months of being removed from non-disciplinary suspension, in the areas of audit documentation and quality control for assurance engagements. These courses are to be approved in advance by the Registrar. The registrant is responsible to report and declare the verifiable continuing professional development in the provided tool before the deadline. Proof of attendance at the verifiable continuing professional development is required;
4. That a summary of the breach and sanction and the Decision and this Determination and Order shall be published on a named basis on the Institute's website and in its newsletter;
5. The registrant shall be required to pay costs in the sum of \$8,000.00; and
6. The registrant shall remit payment of all fines and costs as set out above to the Institute within nine (9) months from the date of this Determination and Order becomes final under the bylaws. Failure to pay within the nine (9) month period shall result in the immediate suspension of the registrant from the Institute of Chartered Professional Accountants of Saskatchewan and failure to pay within one year from the end of the nine (9) month period shall result in immediate expulsion from the Institute and striking of the member's name from the register.

### **The text of relevant bylaws and rules of professional conduct:**

#### **Bylaws**

200.1 Practice of the profession or services provided as a Chartered Professional Accountant shall be performed within the context of the following standards of conduct:

- (a) integrity;
- (b) objectivity;
- (c) competence; and
- (d) confidentiality.

**Rules of Professional Conduct**

*Integrity and Due Care*

202.1 A member, student or firm shall perform professional services with integrity and due care.

*Professional Competence*

203.1 A member shall sustain professional competence by keeping informed of, and complying with, developments in professional standards in all functions in which the member practices or is relied upon because of the member's calling.

*Compliance with Professional Standards*

206.1 A member or firm engaged in the practice of public accounting shall perform professional services in accordance with generally accepted standards of practice of the profession.

This notice is issued pursuant to Bylaw 49.1 and the terms of the Order.

Authorized by:  
Leigha Hubick, CPA, CA  
Registrar  
CPA Saskatchewan

April 12, 2022